

EXHIBIT 5

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PG&E settles forest-fire suits for \$29.5 million

ENVIRONMENT

By **Demian Bulwa** Published 4:00 am PDT, Thursday, March 15, 2012

Pacific Gas and Electric Co. and two of its subcontractors have agreed to pay \$29.5 million to settle a pair of federal lawsuits in which the government said the company's power lines sparked wildfires in national forests in California, prosecutors said Wednesday.

The settlements are intended to pay for damage from the fires, including the rehabilitation of wildlife, the reforestation of burned areas and firefighting costs.

RECOMMENDED VIDEO



The settlements involve two big blazes in 2004, each of which torched more than 4,000 acres of federal forest land: the Sims Fire, which started in Six Rivers National Forest in El Dorado National Forest in El

for PG&E. Since 2009, the company has paid \$29.5 million in connection with such blazes.

The U.S. attorney's office in Sacramento confirmed the latest settlements Wednesday but said prosecutors would not comment in detail until a news conference today.

PG&E spokeswoman **Brandi Ehlers** said the company had agreed to pay \$6.1 million in connection with the Sims Fire. She said the rest of the \$29.5 million is being paid by two subcontractors, Western Environmental Consultants and **Davey Tree Expert Co.**, who handled tree trimming around PG&E lines.

Efforts to reach attorneys for the two firms were unsuccessful late Wednesday.

"We've made significant changes in our vegetation management program (since 2004) that are already showing progress in reducing tree-caused power outages and safety incidents," Ehlers said.

In the Sims Fire, the government said in court filings that PG&E had failed to remove a decaying tree that buckled and fell on a 66,000-volt transmission line in late July 2004. The resulting blaze burned part of Six Rivers National Forest and Shasta-Trinity National Forest.

The Freds Fire started Oct. 13, 2004, near Kyburz in El Dorado County. The government said PG&E had been negligent in supervising a contractor, Davey Tree Expert Co., whose workers lost control of a large tree they were cutting down and watched it fall onto a 21,000-volt line.

The **National Weather Service** had designated a red-flag warning for high fire danger that day, government lawyers said. The fire spread to more than 7,500 acres, the government said, including 4,500 acres of national forest land.

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